

DOWN IN THE MINES

THE WARREN DISTRICT AND ELSEWHERE

Weekly Review of Operations

HORACE J. STEVENS WRITES INTERESTINGLY OF COPPER

What is Doing in the Lake Country--A General Resume of the Copper Situation in The Country

(Special to Review.)
Houghton, Mich., Dec. 27.—The local smelters shipped practically every ton of refined copper on hand on the last vessels that cleared from Portage Lake ports, at the closing of lake navigation, and the shipment of copper to the seaboard by all-rail routes was started a few days later. As the mixed lake and rail freights are materially cheaper than the all-rail rates, full advantage was taken of the saving, up to the hour of sailing by the last vessel. The draw-span of the only bridge crossing Portage Lake was knocked into the water by a passing vessel in April, and the new steel structure will not be completed before next April, but a temporary wooden span was erected this week after the last vessel had cleared, which again gives direct rail connection with the northern part of the district, in which are located the Hancock, Quincy, Dollar Bay and Calumet & Hecla smelting works. The demand for the refined metal is so urgent that there will be practically no copper on hand at the opening of navigation next April, and all-rail shipments will be continued, in all likelihood, until a week or ten days before the arrival of the first vessel.

The capitalization of the Lake Copper Co., which takes over the old Belt mines in Ontonagon county, is at the usual figure of \$2,500,000. In 100,000 shares of \$25 par, but only 15,000 shares have been issued, those being placed at \$3 each, to furnish working capital. It is the expectation of the management that by the time this amount is expended the showing will be sufficiently promising to warrant the placing of the balance, or at least the greater part of the stock now remaining in the treasury. While fully organized as a mining company, the practical effect of this plan of promotion is to render the Lake Copper company a development company, alone lines somewhat similar to those that have proven so successful in the flotation of many western mines by local capital.

The King Philip Copper company is a close corporation, controlled by St. Mary's Mineral Land Co., and it is not probable that the public will be invited to take any interest, though some of the stock is so held that it may come on the market at some later date. The Challenge property of St. Mary's company is working upwards of fifty men, and gives promise of making a good mine. The King Philip is in the vicinity of the Winona, while the Challenge, which has not been A-graded as a separate company, lies a short distance south of the Globe mine, now being opened by the Copper Range Consolidated company. In the same vicinity is the Erie-Ontario exploration, which is a decidedly promising prospect, though the owners have not as yet seen their way clear to promote a new flotation. It is understood that the Erie-Ontario property is tied up to the Fay management, and it doubtless will be floated later, if developments continue satisfactory, by the interests allied with the Allouez and Centennial properties.

The Algoma and Aztec properties, in the vicinity of the Adventure mine, have been taken over by a local syndicate, of which Charles D. Hanchette, of Hancock, is at the head, and it is probable that exploratory work will be undertaken soon on this tract. The promising developments of the past six months at the Adventure have added materially to the prospects of the Aztec-Algoma tract.

The Resolute property has been bought for \$200,000 by the Keweenaw Copper company, and cash paid for the lands, which are very extensive. The Keweenaw company is now the largest land-owner of any of the Lake Superior mining companies, though it is probable that the Calumet & Hecla, through its subsidiary companies, the Manitou and Frontenac, controls a slightly larger acreage. In the early spring months the Keweenaw Central railroad will be completed and placed in full operation, and the opportunities for easy access and cheap transportation furnished by the railroad are certain to stimulate prospecting in Keweenaw county. In addition to the Calumet & Hecla and Keweenaw companies, both of which will explore their lands actively, especially with a view to developing the Montreal river beds, which has proven

very rich in the Manitou shaft of the Calumet & Hecla, a number of other properties are quite certain to receive attention. Should the present copper boom continue, next season promises to be the most active in exploratory and development work that ever has been known in the Lake district.

It is rumored that the Phoenix mine is to resume, but as yet the rumor lacks verification. It seems quite probable that some work will be undertaken next season on the various Fitzgerald properties lying north of the Greenstone, in Keweenaw county, which are opened on the Ashbed lode. The lack of rail connections has greatly hampered operations in the past, and the Arnold was unable to make its mine pay, when last worked, five years ago. If extensively developed and worked on a large scale, with the economies made possible by rail connections, the Arnold, Ashbed and Humboldt should be made to pay, as their lode carries about the same percentage of copper as the Atlantic mine and, in fact, the Arnold ashbed is believed by many to be a continuation of the ashbed of the Atlantic mine.

The Arcadian is sinking in the new lode uncovered about a month ago. Owing to the lateness of the season when work was begun, the exploration was started at a disadvantage, but is progressing at a satisfactory rate, and the showing of copper remains decidedly promising.

A new shafthouse has been built at the Superior mine, and new boilers, air-compressor and hoist are being installed. As soon as the machinery is set sinking will be started actively and the mine opened as rapidly as possible. The showing in the south drift of the second level is not so rich as has been the case for six weeks past, but remains good, showing a fair grade of stamp rock. The rich shute passed through compares favorably with the best ground of the Baltic and Trimountain mines opened at a similar depth, and there is little question that the Superior will make another Baltic, with development.

The fine showing secured on the Superior has stimulated work to both the north and south, upon the same lode. The Atlantic company is exploring again on Section 16, and the Isle Royale is opening the Baltic lode on Section 11. In view of the strength and richness of the Baltic lode at the Superior mine, there is ample encouragement for the Isle Royale. The Isle Royale mine proper has proven a sore disappointment, and but for the magnificent equipment of the mine and its economical management, the Isle Royale would have proven a failure before now. As it is, the mine can just about return a new dollar for an old one with copper at a medium price, though earning a small profit with the metal at 17 cents or better. The Isle Royale management has persisted, wisely, in continuing work at its old mine, while devoting every effort toward locating and developing new ore bodies of a better grade. There is a very decided advantage accruing to the fully equipped mine that is doing exploratory work over the independent operator, and the Isle Royale is securing this advantage in its development work.

The sand-shaft at the Globe mine is proving a stubborn bit of work. This is the deepest shaft ever sunk through sand in the lake district, and one of the deepest ever attempted anywhere. The first shaft was anchored at the collar, and depth gained by pushing down a steel section at the bottom, by jack-screws, but the side pressure caused the shaft to buckle and after ineffectual efforts to straighten it, the shaft was abandoned at a depth of less than one hundred feet. The second shaft, now sinking is of the familiar drop-shaft type, sunk by gravity as the sand at the bottom is removed by buckets and pumps.

HORACE J. STEVENS.

The abominable high protective tariff of the Republican party is the root of the trust evil, and when Congress takes off the duty of the trust made and controlled articles there will be some hope of relief for the people. So long as the robber tariff continues there can be no relief.

The close of 1905 in the Warren District finds the camp in splendid shape, as to actual production of ore, development and future prospects. During the year steady headway has been made in enlarging the proven ore-bearing area. At this time there is little doubt but that highly important results will attend the continuation of the exploration which has been so highly satisfactory in the last year.

Production of ore for the smelters at Douglas has been largely increased during the year, and is to be still further enlarged during immediate weeks at hand in the new year. Increase of production has of course meant a corresponding increase in labor employed. Over a thousand more men are now employed in Warren District mines than were at work at the beginning of this year. The prospects are that the new year will witness continued increases of working forces, there being every reason to expect that the increase during the new year will be larger than that which has occurred in 1905.

The prevailing high price of copper which has continued through most of the year has of course had encouraging effect upon every branch of the copper mining industry. Bisbee is now producing from its mines more ore than any other camp in the country with exception of Butte. The lead Butte has now will undoubtedly be cut down considerably during the new year, for Bisbee will have at least one new producer, the Shattuck, during the year, which ought to add a couple million pounds to the monthly production. Junction, C. & P., and possibly Denn and Saginaw may be in before the close of the year with ore which will call for smelting arrangements for these properties.

There has been nothing during the year closed which may be counted as a setback to confidence in the district, nothing that has occurred having operated in that way. A couple of the properties developed with limited capital at command in the Glance vicinity have closed during the year, and the ground reverted to the original owners; the Higgins cases has the investing Cochise went by the board, but in none of these cases has the investing public accumulated distrust of the district or put blame upon it for the losses sustained. It is not at all certain that the new year will not witness the redemption of this ground in the good graces of the camp.

The investment of capital in the district is assuming a wider and more substantial form than has before prevailed, and within the next few months it is altogether probable that Bisbee will have interested in her properties the strongest capital in the country that deals in these stocks. The putting of C. & A. on the Boston Exchange is the final step necessary toward complete establishment of the Bonanza Circle list in the confidence of the greatest financial interests of the world doing business in coppers.

EL TIGRE CASE IS DECIDED IN COURT AT CANANEA

Kansas City People Get Decision in the Suit Against B. F. Graham for Possession of El Tigre Mine

(Continued From Page 1)

ham was holding his interview with Wiley the armed posse had the office building well surrounded, and the next day Lieut. Brooks so stationed his men commanding the approach to the mine, up the canyon, that a regiment of soldiers could not have retaken the property from those who were there to hold it against all comers.

Why Graham Took Mine.

After the party left Douglas for the mine there was much speculation as to why Graham should go to the mine for the purpose of taking possession of it by force, carrying an armed posse on a special train for that purpose. Then for the first time it became known that the act of Graham had been long premeditated. It was claimed that the Kansas City people had failed to make the payment due on the mine on the 6th day of July and that Graham and others had waited at the steps of the Miners and Merchants bank until midnight for the money due, and then took their special train for the mine.

The statement was made that the Kansas City people had deposited the money in the bank in such a manner that the cashier could not pay it out according to the amount claimed by the original owners of the mine. It was claimed that the money had not been properly apportioned to those to whom it was due and that therefore the El Tigre company had forfeited the mine, although it was known that the mine had already paid some \$300,000 for the property.

When Mr. Graham returned from the mine he was very much put out because the newspapers of Douglas had published the fact about his taking an armed party from here for the purpose of taking the El Tigre mine by force. He prepared a statement to the Mexican consul, stating that the incident of his going to take possession of the mine by force had been greatly exaggerated, but that now that the papers had been put right they would publish the matter just as it was, but somehow the newspapers decided to stand on their original publication of the invasion into Mexico by an armed force to take the El Tigre mine.

In connection with the seizure of the mine by Graham it became known that he planned to get the possession of the mine for several weeks before the payment came due on the property, on the 6th of July. In May or June Mr. Graham and his attorney, D. A. Richardson, made a trip to Los Angeles and interviewed the original owners of the El Tigre mine and induced them to become stockholders of the Ensenada Mining Company, which was to be organized for the purpose of becoming the owner of the El Tigre mine when the El Tigre company should default in making the

payment on July 6th.

Mr. Graham also got from the original owners powers of attorney authorizing him to receive and receipt for the amount due each as their portion of the payment due.

Soon after Mr. Graham got possession of the El Tigre mine Mr. B. A. Seitz arrived in Douglas as the representative of the El Tigre Mining Company, he being a member of the executive board. On his arrival he declared that his business here was to recover the El Tigre mine for its owners and punish those who had taken it in such a high-handed manner. A little later it was announced that Judge D. J. Hoff of Kansas City, attorney for the El Tigre company, was in the City of Mexico and that proceedings would at once be instituted in the Mexican courts to regain possession of the mine. From Mexico Judge Hoff came to Douglas and since then he has been continually in this vicinity, going to Mochituma, to Cananea and to Hermosillo, as the various forms of litigation demanded his presence. He associated with him some of the best legal talent to be found in Mexico, and besides held from the beginning the sentiment of a large majority of the people here and all those in Mexico who held mining interests in the republic. He has proved that he is as familiar with Mexican law as those who are native of that country. The attorneys who Judge Hoff associated with himself in the El Tigre litigation were Lic. Alfonso Arriaga, of the City of Mexico, and Lic. Juan N. Amador, of Ciudad Juarez. If ever a client had a faithful attorney, the El Tigre company has had one in the person of Judge Hoff. Few men could have brought to the support of the company strong support as was rallied by Judge Hoff, and he is entitled to the credit of making a successful fight.

Litigation.

On the arrival of Judge Hoff in Douglas he at once proceeded to Mochituma, where he asked the Judge of the First Instance to restore the El Tigre mine to its owners, and also caused criminal proceedings to be instituted against Graham, Lieut. Brooks and Superintendent Wiley for conspiracy in forcibly and unlawfully taking the property of his clients. The criminal proceedings against the parties are still pending. As a result of the Mochituma suit the mine has now been returned to the possession of the El Tigre company.

After the announcement of the criminal case against Graham, Brooks and Wiley at Mochituma the Ensenada Mining Company began suit against the El Tigre company, asking for the legal possession of the mine, which had already been delivered to Graham by Superintendent Wiley. This suit was tried during the month of November and the decision rendered yesterday was against the claim of Graham to the property.

GUCK ON COPPERS IN GENERAL AND LAKE IN PARTICULAR

Tom Lawson's Attitude and How the Copper Country Accepted His Position

(By Homer A. Guck, editor The Mining Gazette.)

Houghton, Mich., Dec. 26.—George L. Walker's rather startling assertion that Copper Range Consolidated would be selling for \$200 a share on the strength of dividends is really not so startling to one acquainted with the real condition at the property, with a comprehensive idea of the probabilities and the extent of the interests of the company and with a clear idea of conservative and altogether wise policy which the management has followed in building up this magnificent corporation.

The Copper Range is really in its infancy. It is in the dividend paying class and the dividend paying properties are those which the wise investor is seeking nowadays. New properties which are opened on the strength of a strong and stable metal market oftentimes never reach a state of productive valuation until that better prices for the metal are alive simply in memory. Those which are producing and which are so large and in such shape that they can take every advantage of a strong metal market are the kind which reap the real benefit of the higher prices for the product. Thus, today the Copper Range earning capacity is enormous and the corporation is making the most of the good chances which are open.

It is noted that the underground physical conditions at the Range were never in such excellent shape as they are at present. The copper showings per ton are magnificent. The various interests are running smoothly and with proper financial results. The most important of these is the big Michigan Smelter plant, an asset of this corporation which is proving itself of incalculable value just at the present time when it is making good to a degree which ought to set at rest all the scoffing of those who were prone to lay awake nights and find fault with the smelter innovation and economies of operation installed in this wonderful plant. The difficulties encountered at the commencement of operations at this plant are things of the past. They are barely remembered and as such remembrances they are now recognized as nothing but those comparatively little inconveniences which are usual with the opening operations of any big smelter. Today the theories of advanced copper smelting operations are being worked out to great commercial advantage for the Copper Range Consolidated.

Some adequate idea of the vast resources may be gained from the fact that the extensive openings of the Champion are barely scratched so far, the Trimountain is now in better condition than ever to produce excellent metal values, the Baltic is showing good ground all the time, the railroad is a better paying proposition every day and the smelting plant is doing its work with a regularity which counts for everything when the metal is being rushed to the front.

The stock of Copper Range is now being picked up by those shrewd investors who are always willing to wait until a property proves itself of great value and are then anxious to pay the higher market value for the stock rather than take a chance on a risk. The Range is being purchased by those investors who are putting it away along side of the Calumet & Hecla, their government bonds, in the safety deposit vault, those who are seeking something which assures them comparatively solid dividend results all the time. In the eyes of local people it is in a class which is attained by few copper properties.

Here in the copper country we have taken a good deal of interest in Tom Lawson and his peculiar game. His magazine stories, however, never produced the sensation here that might have been expected. We knew Lawson too well altogether. We saw some of his work in previous copper booms. We always wondered which side of the game he played but we never for a moment doubted his ability to play the game for himself. The stories which are now appearing in the newspapers to the effect that Lawson has gone broke on Anaconda are considered with a great many grains of salt. We had previous experience with Lawson. We knew of his connection with the Arcadian fiasco. We heard of his rank game

with the Trimountain before it became a part of the Range. We knew a few of his peculiar, I use the word, methods of doing business, and we were in other parts of the country where his talk would be injurious to the district.

There were, there are, people who followed his general months ago, real list. Consequently committing suicide and a few of them of the present of has come to be a right you must do positive to what Tom

To be sure, his that the slump was enough. Stumps bull market, in a sense. We all know that copper cannot pound for very know also that goes a little bit here will find a c he meal and wh far the market know also that high production hard as possible will certainly be of over-production which in itself is bound to bring a decline in the metal market and such decline is sure to be followed by a decline in the copper stocks. That is the old, old story. But it is not coming right now. It may be here a month from now or it may not come until next summer, which latter assertion seems most

likely but when it does come, you will hear Tom Lawson hollering like a little Indian, "I told you so." There are plenty of Tom Lawsons to be found then. But our friend Lawson has been predicting this thing for months. He was wrong so far. In spite of all his predictions and warnings, things have gone the other way. Occasional setbacks are to be expected as profit taking is the natural result of every steady rise. But the good things are not being neglected just at the present time.

We of the copper country of Michigan take a great deal of pride in the record of the Calumet & Arizona company. It is the first really great success in the copper mining world which was located, opened, financed and handled by our local financial interests. Time was when we were so accustomed to rushing over to Boston every time we found a mining possibility and begging some eastern financial interest to put up the money good thing that we always had an for a half or two-thirds interest in the idea there wasn't money enough outside of Boston to open a mine. It is therefore a pardonable pride that local people take in the great success of the Calumet & Arizona. It was turned down by one Boston brokerage concern. Then Calumet financial interests decided that they would attempt to raise a million themselves for the equipment of the mine. Tom Cole and his friends in Pittsburgh were taken into the deal. That was really the beginning of Cole's importance in the financial world today. Up to that time he was known as a successful mining man at the head of the steel trust mining interests. The Calumet & Arizona had been pronounced a worthy property by James Hootson, at that time a mining captain for the Calumet & Hecla. Cole, his brother-in-law, went down to Bisbee and looked at the property. Then he went to Pittsburgh and told his steel friend what he saw. They sent another expert down, thinking that Cole's enthusiasm had carried him off his feet. Their second expert was more enthusiastic than Cole. Then Pittsburgh wanted all the stock they could get their hands on. That's what made it so easy for that million dollars worth of stock to be subscribed in one day in Calumet. And the enthusiasm of Hootson, Cole and the rest was justified in wonderfully short time. The Calumet & Arizona continues to pay dividends with government bond regularity and is all the time piling up a surplus that is astounding in its magnitude.

The great success of this property made it an easy matter for these interests to handle anything. Their properties have turned out wonderfully rich.